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**Amendment No. 12 to SB1991**

**Herron  
Signature of Sponsor**

**AMEND Senate Bill No. 1991**

**House Bill No. 2073\***

by adding the following new sections immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION \_\_\_\_\_. Tennessee Code Annotated, Section 4-31-104, is amended by adding a new subsection as follows:

( ) For the purpose of financing the acquisition and improvement of facilities previously financed under the provisions of part 7 hereof and from funds available, to lend moneys to local government units to be repaid with revenues of such facilities under such terms and conditions deemed appropriate by the authority.

SECTION \_\_\_\_\_. Tennessee Code Annotated, Title 4, Chapter 31, Part 1, is amended by adding the following new section:

4-31-1\_\_\_\_\_.

(a) The authority may enter into loan agreements with any local government unit and any local government unit may enter into loan agreements with the authority for loans for acquisition and improvement of facilities previously financed under the provisions of Part 7 hereof.

(b) Any loan agreement may include such provisions as may be agreed upon by the authority and the local government and shall additionally include, in substance, the following:

(1) The amount of the loan as determined by the authority;

(2) An agreement by the authority to pay part of the amount of the loan to the local government unit during the progress of the acquisition or

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improvement, or to pay the amount of the loan following completion of the acquisition or improvement, as may be agreed upon by the parties; and

(3) An agreement by the local government unit:

(A) To proceed expeditiously with, and complete, the project;

(B) To commence operation of the project on its completion, and not to discontinue operations or dispose of the project without the approval of the authority;

(C) To operate and maintain the project in accordance with applicable provisions of this part and in compliance with rules and regulations of the authority;

(D) Not to contract with any corporation for profit, private person or firm for the operation of the same, notwithstanding the provisions of any law authorizing such contracts, except upon approval by the authority of an application to the authority;

(E) to pledge any available sources of revenue to make payment according to a schedule established by the authority, and to make such payments; and

(F) To establish and maintain adequate financial records for the project, and to cause to be made an annual audit of the financial records and transactions covering each fiscal year in accordance with generally accepted government auditing

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standards, and to furnish a copy of such audits to the comptroller  
of the treasury.

(c) The authority may promulgate any additional rules or regulations  
concerning the contract and change in operations of a capital project.